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# Iraq

## Status Report

April 15, 2009



Bureau of Near Eastern Affairs  
U.S. Department of State

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## HIGHLIGHTS



- **Amnesty International Calls on PM Maliki to Protect Homosexuals in Iraq** (*POLITICAL*, page 4).
- **Iraqi Vice President to Meet with Executives from Total** (*ECONOMIC*, page 10).
- **Prime Minister Maliki Visits Moscow for High-Level Talks** (*DIPLOMATIC*, page 20).
- **High-Profile Attacks Fail to Re-Ignite Sectarian Violence** (*SECURITY*, page 22).



## POLITICAL - Governance & Legislation

Politicians and NGO address pressing issues, as new provincial councils take office amidst challenges

### Amnesty International Calls on PM Maliki to Protect Homosexuals in Iraq:

- Amnesty International issued a letter to Iraqi Prime Minister Nuri al-Maliki urging the Iraqi government to take “urgent and concerted action” against the recent rise in violence against the gay community in Iraq, including by condemning the killing of six men found dead in Sadr City in past weeks, and bringing the murderers to justice. Congressman Jared Polis also brought the issue to the attention of Iraqi officials during his delegation’s recent visit to Iraq.

### New Provincial Councils Form, Face Obstacles:

- New provincial council members are taking office in the 14 provinces that participated in provincial elections. However, the transition process has sparked some political tension. In Ninewa province, the head of the Kurdish Ninewa Brotherhood List announced the list would withdraw and boycott the provincial council, citing al-Hadba’s formation of the provincial council without adequately sharing any senior posts with the Kurds.

## POLITICAL - Governance & Legislation



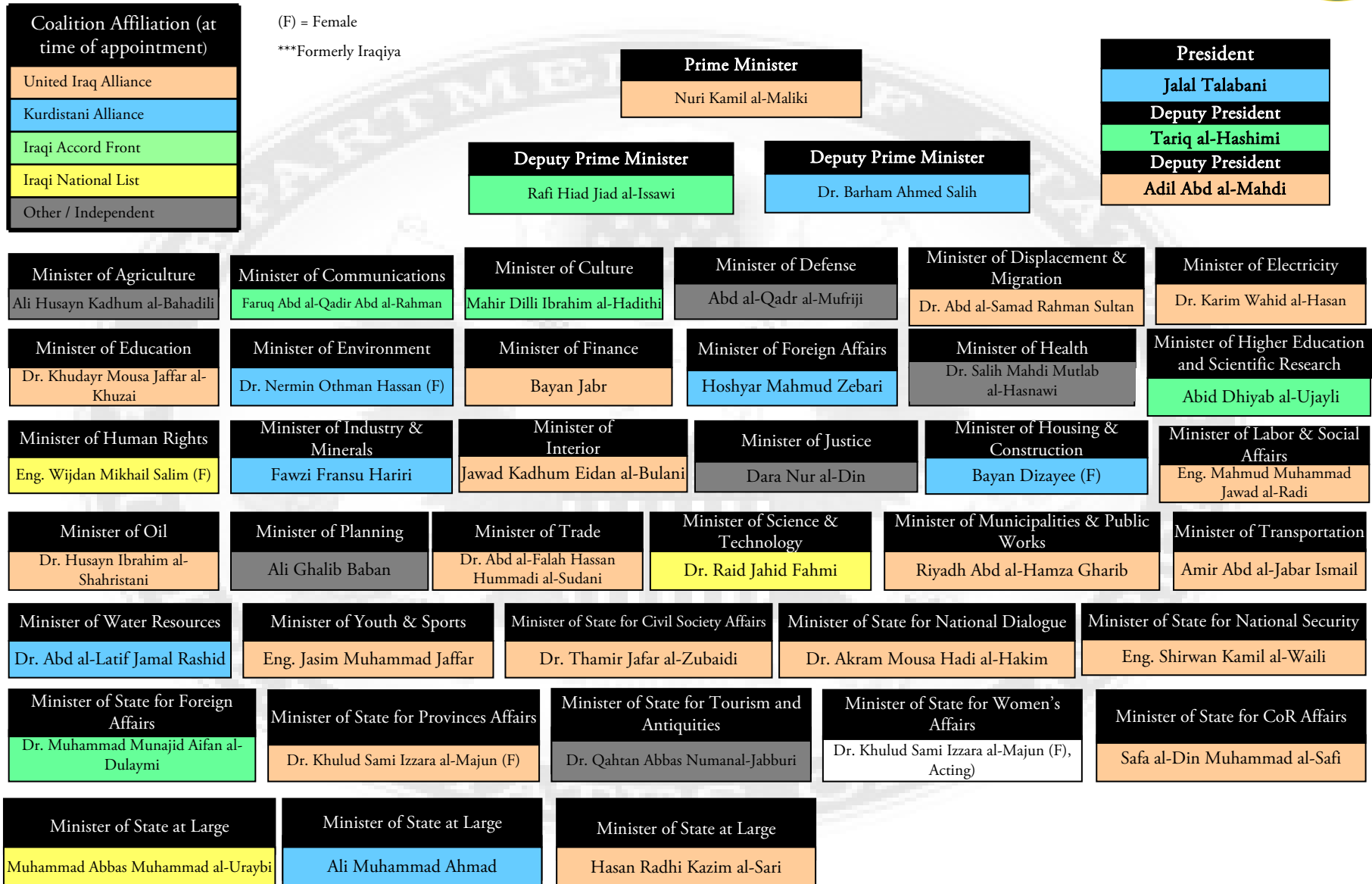
Politicians and NGO address pressing issues, as new provincial councils take office amidst challenges

### **Oil Ministry Spokesman Detained for Corruption; Not Charged; Released:**

- **Assem Jihad, spokesman for Iraq's Oil Ministry, was detained by the Commission on Integrity's (COI) security forces March 29 on accusations of financial and administrative corruption. COI officials held Jihad for 10 days and then released him without charge. Jihad says the detention was politically motivated and is demanding an investigation of the COI's actions.**



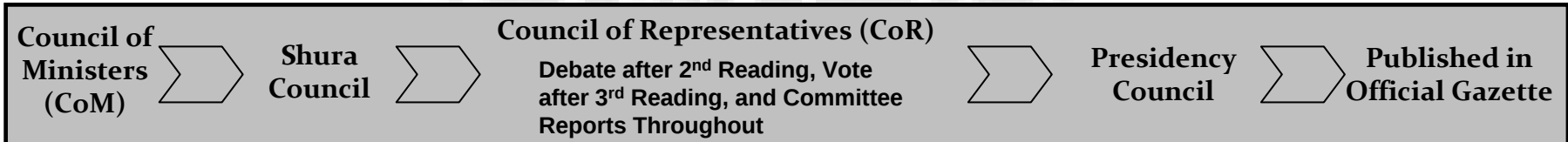
# POLITICAL – Government of Iraq



## POLITICAL – Key Legislative Issues



### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **Budget:** The Council of Representatives (COR) passed a budget on March 5. The Presidency Council approved the 2009 budget on April 2.
- **COR Speaker:** The COR has yet to reach a consensus on appointing a new Speaker since Mahmoud Mashadani was ousted on December 23, 2008. The COR concluded spring recess and resumed on April 14.

## POLITICAL - Refugee Update



- Regional governments report hosting as many as 2 million Iraqi refugees.
- The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.
- In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).
- Since the program's inception in FY07, 23,755 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.
- As of March 2009, a total of 375 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).
- As of March 2009, a total of 641 SIVs have been issued for Iraqis since FY08 (under the Section 1244 program).





## ECONOMIC – Oil

### Oil sector remains active despite absence of new federal laws

#### Crude Oil Update:

*Price averages in world markets closed with the following prices:*

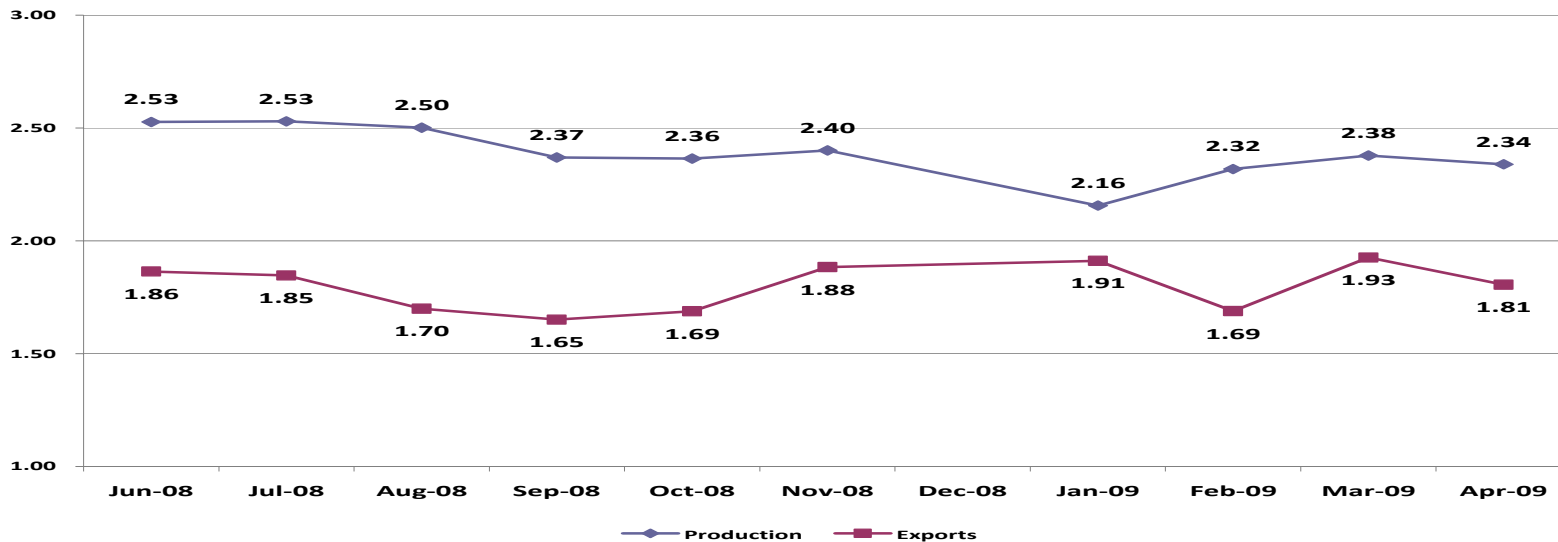
Basrah Light at \$51.44/barrel

Dated Brent at \$52.64/barrel

WTI Cushing at \$50.46/barrel

Oman/Dubai at \$51.54/barrel

**Iraq Crude Oil Production and Exports**



#### Revenue estimates:

**2007: \$41.0 Billion**

**2008: \$61.9 Billion**

**2009 (ytd): \$8.2 Billion**

## ECONOMIC – Oil



Iraq reaches out to large state-owned companies in side deals while other companies form partnerships to bid in the first tender round

### Iraqi Vice President to Meet with Executives from Total:

- **Iraqi Vice President Abd al-Mahdi said April 14 he will meet with executives from the French oil company Total, to discuss a multi-billion dollar deal, on a working visit to France. Senior government adviser and former oil minister Thamer al-Ghadhban, accompanying the vice president, confirmed that Total has formed a partnership with the U.S. firm Chevron to bid directly on the Nahr Bin Umar field in southern Iraq. "Total, partnered with Chevron, has been asked to bid directly on the Nahr Bin Umar oil field on a different arrangement from the first bid round which has been staged last year by the Ministry of Oil," Ghadhban said.**

## ECONOMIC – Oil



Iraq reaches out to large state-owned companies in side deals while other companies form partnerships to bid in the first tender round

### Iraq May Revive Russia's Saddam-Era Contract:

- In an interview published April 13, Prime Minister Nuri al-Maliki said a delegation from the Russian oil company Lukoil will soon visit Iraq to discuss the possibility of reviving an exploration contract signed in 1997, but cancelled in 2002. Maliki said it was "fully possible" that Lukoil may be given the rights to work on the West Qurna 2 field, either alone or as part of a joint venture. "The Iraqi government has ideas for a compromise which could satisfy this company and which at the same time would correspond to our policies," Maliki said. It remains unclear if this was a hint at Lukoil's chance in the bid round or if the Ministry of Oil would engage in direct negotiations. Every Iraqi administration since 2004 has supported Saddam's cancellation of the contract.

## ECONOMIC – Oil



Iraq reaches out to large state-owned companies in side deals while other companies form partnerships to bid in the first tender round

### Iraq Invites Petrobras to Build Refinery:

- Iraq's Minister of Planning Ali Baban told reporters that the Brazilian national oil company, Petrobras, as well as other companies received an invitation to build a refinery at an undisclosed location with a capacity of 200,000 barrels per day. Both Brazil and Iraq have created commissions that will focus on the project, which may also include oil exploration and production. Following a meeting in Rio de Janeiro, Baban told reporters Petrobras was seriously considering the proposal.

### South Oil Company Issues Tender for South Rumaila Field:

- The South Oil Company issued a tender for a 75,000 barrel per day crude oil processing plant to be built on the South Rumaila oil field. The Rumaila field is considered a "super giant" and was put up for tender in Iraq's first bid round, which opened in October 2008. The South Oil Company said bids for the plant were due May 15. The construction of this facility is considered by the company as phase one of plans to boost production on the field.

## ECONOMIC – Oil

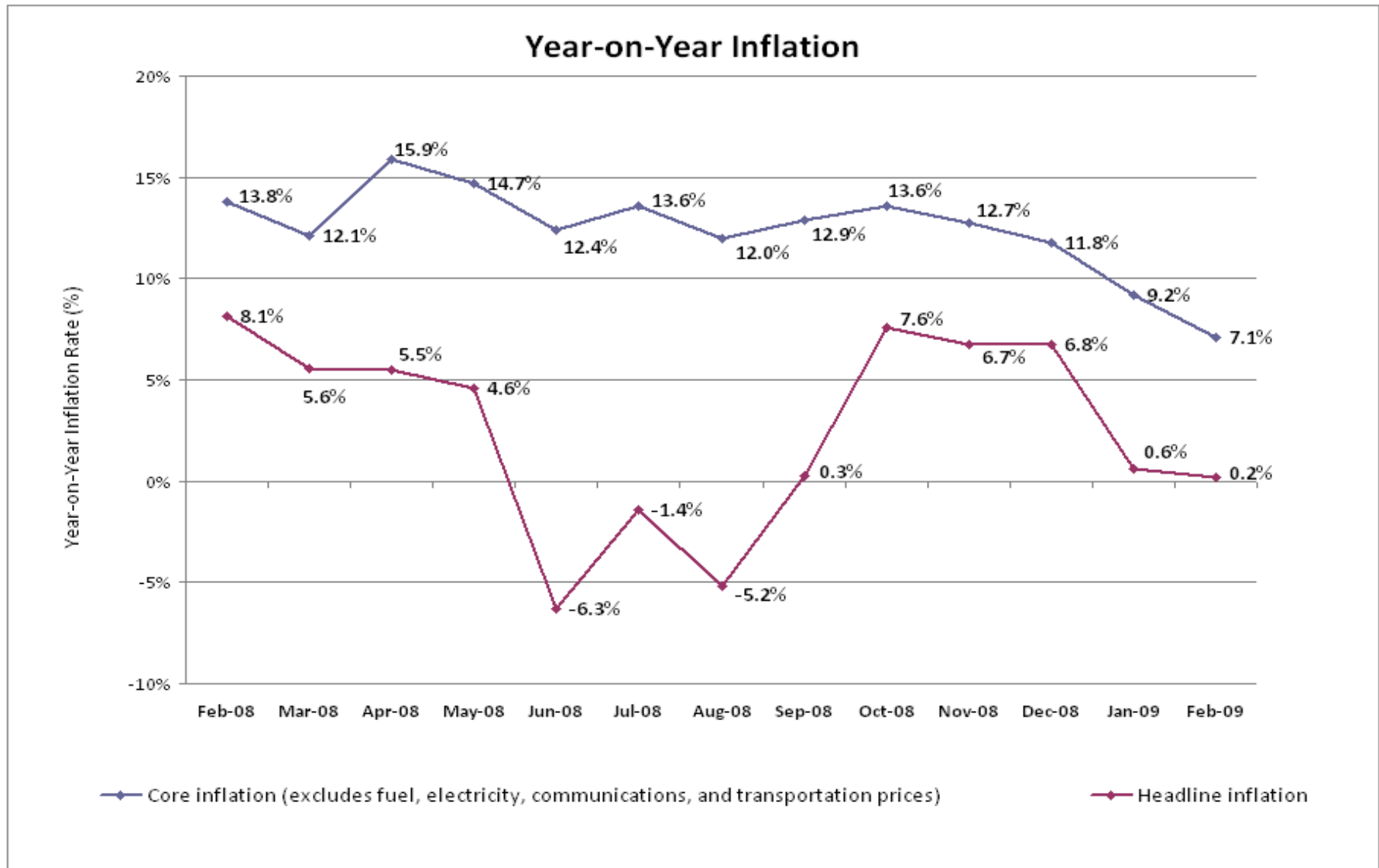


Iraq reaches out to large state-owned companies in side deals while other companies form partnerships to bid in the first tender round

### Shell in Talks with Chinese Companies for Joint Bid:

- The Wall Street Journal reported April 13 that Royal Dutch Shell PLC is in advanced talks with China National Petroleum Corporation (CNPC) and China Petrochemical Corporation, the two largest state-owned oil firms in China on a possible bid to develop the Kirkuk oil field. The Wall Street Journal cited a source familiar with the situation, who said also Shell offered CNPC a 15% stake in the joint venture, but CNPC wanted a share closer to 20%. The source said that in return for partnering with CNPC in Iraq's first oil bid round, Shell would receive CNPC approval for a production sharing contract for the Jinqiu gas field in China's Sichuan province. Royal Dutch Shell confirmed the talks of a joint bid April 14, but did not name the Chinese firms or the make-up of the partnership. "We indeed have discussions about bidding...and Chinese companies for certain are part of the bidding partnerships," Shell Chief Executive Jeroen van der Veer said.

# ECONOMIC - Fiscal and Monetary Affairs



## ECONOMIC – Fiscal and Monetary Affairs



The Government of Iraq aims for better fiscal planning with the creation of a higher committee to prepare the 2010 budget

| Economic Indicator                 | This Week | Last Week | Last Month | Last Year |
|------------------------------------|-----------|-----------|------------|-----------|
| <b>Iraqi Commercial Bond Sales</b> |           |           |            |           |
| Price (USD)                        | \$50.74   | \$50.63   | \$48.74    | \$66.08   |
| Yield                              | 12.77%    | 12.80%    | 13.28%     | 9.95%     |

### The Ministry of Finance Creates Higher Budget Committee:

- The Ministry of Finance said in an announcement April 13 that it has formed a higher committee which will deal with the strategic preparation of Iraq's 2010 federal budget and the years following. In a statement released by the ministry, the committee said representatives from a number of ministries as well as the Council of Ministers and Central Bank of Iraq would participate. The statement also said British and American experts would contribute to the work of the committee.

## ECONOMIC – Private Sector



Iraq continues efforts to attract investment by hosting foreign business delegations and increased engagement with the international business community

### World Bank Considers Private Sector Development the Best Way to Increase Revenues:

- The World Bank said April 8 that the best way to increase the Government of Iraq's revenues is through the development of the private sector. The World Bank also said it would work with Iraq to remove the impediments to the growth of the private sector. Daniela Gressani, vice president of the World Bank's Middle East and North Africa operations, said the Bank is preparing to work with the Iraqi government to conduct a survey of enterprises to identify obstacles, citing the unreliable electricity supply as one such obstacle.



## ECONOMIC – Public Services



To further increase Iraq's supply, the Ministry of Electricity signs a thermal power agreement with a Russian firm

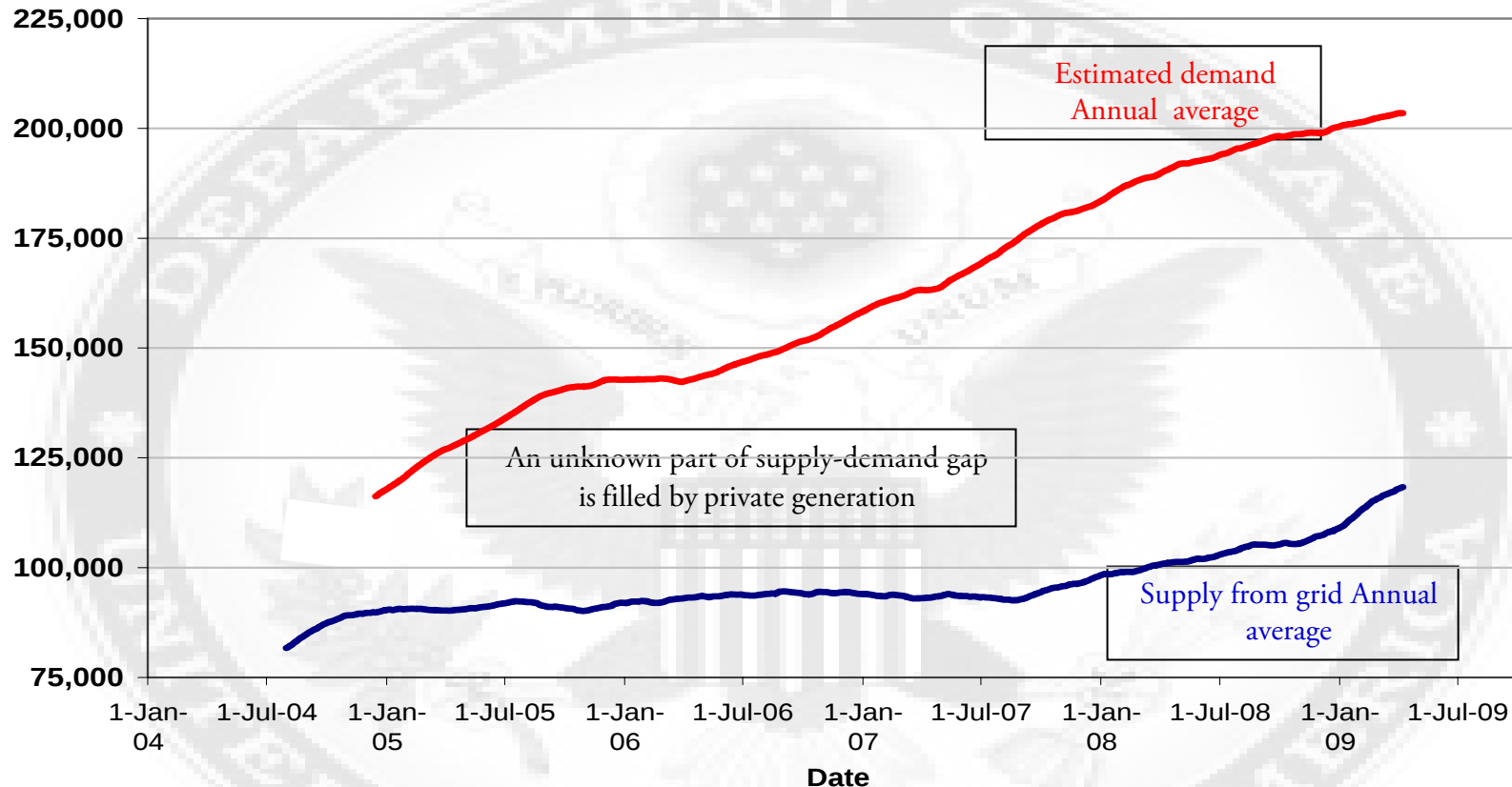
### **Russian Company Signs Agreement for Thermal Power Plant:**

- **The Russian firm Technopromexport signed a \$133 million contract with the Iraqi Ministry of Electricity to construct a thermal power plant in Hartha with a capacity of 200 megawatts. This deal comes after Nuri al-Maliki's announcement that a Russian delegation will come to Iraq to discuss reviving a Saddam-era oil contract.**

## Public Services – Electricity



GOI needs to strengthen policy actions to manage demand and usage patterns



- Daily electricity supply from the grid for April 1-7 was 19% above the year-earlier period and met 75% of estimated demand compared with 63% for the year-earlier period.
- Data for hours of power are not available for the most recent week.



## Beyond Baghdad



Jazz concert at the Ziggurat of Ur in Dhi Qar

**“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”**

*President Barack Obama*

### *Recent Highlights*

#### *Dhi Qar*

Around 500 Iraqis from Dhi Qar as well as Maysan attended the Jazz Masters jazz concert at the Ziggurat of Ur. The concert, a joint performance by Iraqi musician Ali Joda and the American jazz group Alvin Atkinson and the Sound Merchants, was held April 1. The show became a family event with women, who rarely join their spouses on such occasions in this part of Iraq, attending along side their husbands and children.

#### *Najaf*

The first commercial flight from Kuwait to Najaf and Baghdad departed from Kuwait International Airport. According to the Arabic daily Al-Watan, this is the first Kuwaiti commercial flight in 19 years to arrive in these cities. The Griffin Air flight had previously been used for military purposes only. The number of flights between the cities is anticipated to increase from twice a week to daily. There is a high demand for air travel to Najaf, particularly for religious holidays.

#### *Salah ad Din*

The University of Tikrit has signed an agreement with the library at the University of Michigan that would allow for an exchange program between the two academic institutions. Michigan will donate much needed books to Tikrit's library and provide librarian training while Tikrit will assist Michigan with the management and coordination of Iraqi documents.

## DIPLOMATIC – Political Engagement



Iraq strengthens ties with Russia and Syria, continues security cooperation with Turkey

### PM Maliki Visits Moscow:

- Iraqi Prime Minister Nuri al-Maliki visited Moscow April 10 for high-level talks with President Medvedev and Prime Minister Putin. Discussions focused on enhancing Russian investment in Iraq. Maliki said, “We are seeking to attract Russian companies to the Iraqi market and involve them in various projects.” Putin, noting that Maliki had curbed violence in Iraq, promised to send a delegation to Iraq to continue discussions.

### Second Trilateral Ministerial Committee Held in Baghdad:

- The second Iraqi-Turkish-U.S. Trilateral Ministerial Committee meeting was held in Baghdad April 11. According to the Iraqi Ministry of Foreign Affairs, the meeting focused on strengthening further security cooperation between the three countries. The final communiqué emphasized that the “PKK is a terrorist organization” which should “lay down its weapons or leave Iraq;” affirmed the commitment of the three countries to prevent the PKK and other terrorist organizations from launching attacks from Iraqi soil; and commended cooperation between the three nations. The next committee meeting is tentatively scheduled to take place in Turkey in Mid-July.

## DIPLOMATIC – Political Engagement



Iraq strengthens ties with Russia and Syria, continues security cooperation with Turkey

### Iraq and Syria to Establish Bilateral Committees:

- In a ministry statement released April 13, Iraqi Trade Minister Abd al-Falah al-Sudani stated that six Iraqi-Syrian committees have been formed to discuss bilateral relations. According to Minister al-Sudani, the talks “aim at establishing mutual relations in the fields of economy, trade, energy, electricity, water resources, and education.”

### Abu Mazen Makes Surprise Visit to KRG:

- Palestinian President Mahmoud Abbas made an unannounced April 13 trip to Iraq’s Kurdish region aimed at cementing Arab-Kurdish ties. Abbas met with Kurdistan Regional Government (KRG) President Massoud Barzani, who described the visit as a landmark development and expressed hope that the Palestinians would open a consulate in Erbil. The Association of Muslim Scholars in Iraq, by contrast, called it “a dangerous and unjustified precedent that serves Iraq’s separation and division.”



## SECURITY - Situation Update

AQI maintains a capability to conduct high-profile attacks but fails to re-ignite sectarian violence in Baghdad.

### High-Profile Attacks Fail to Re-Ignite Sectarian Violence:

- **Multi-National Force-Iraq (MNF-I) Spokesman Major General (MG) David Perkins** noted that last week's series of high-profile in Baghdad failed to re-ignite sectarian violence in the city. Officials believe that AQI targeted Shi'a neighborhoods with the April 8 bombing in the Kadhamiya district of Baghdad, which killed seven and injured at least 23, and the series of attacks throughout the city April 6, which killed 34 people, in an attempt to foment sectarian violence. MG Perkins noted that these attacks did not incite reprisal attacks as happened in the past. He said, "The good news is the response [from the Iraqi people] has been one of universal condemnation. You have not had the retribution killings, which a year and a half ago is what would have happened."

### Five U.S. Soldiers Killed in Suicide Attack:

- **The Islamic State of Iraq (ISI)** is claiming responsibility for the April 13 suicide truck bombing which killed five U.S. soldiers and three Iraqi Security Force members and wounded 60 in Mosul. The suicide attack occurred when the bomber detonated a truck laden with explosives after breaking through the security barriers of the National Police Headquarters in Mosul. Additionally, ISI is claiming responsibility for the April 11 killing of at least eight Sons of Iraq guards in the town of Iskandariyah, south of Baghdad.





## SECURITY – Security Transition

U.S. troop withdrawal on track as Iraqi Security Forces continue to mature and assume greater responsibilities.

### MNF-I Commander Says U.S. on Track to Meet Withdrawal Deadlines:

- General Odierno said he believes the United States is on track to withdraw from major Iraqi cities by the end of June and all combat troops to depart Iraq by the end of 2011. Speaking on CNN's "State of the Union," General Odierno said "We continue to work with the Government of Iraq so they can meet that timeline so that they are able to maintain stability after we leave...I still believe we're on track with that." Odierno also said that U.S. and Iraqi authorities will continue to assess the security situation as the June 30 deadline approaches. He added that, "If we believe we'll need troops to maintain a presence in some of the cities, we'll recommend that. But ultimately it'll be the decision of Prime Minister Nuri al-Maliki." General Odierno also expressed his belief that the Iraqi Army and Police have "matured significantly" and continue to improve.

### GOI and NATO Officials Sign MOU to Extend NTM-I:

- During his recent visit to Baghdad, the NATO Secretary General Jaap de Hoop Scheffer signed April 8 a Memorandum of Understanding (MOU) between the Government of Iraq and NATO, extending NTM-I's support to Iraq. Scheffer said the MOU will help NATO continue its work in training, mentoring, and advising the Iraqi Security Forces.



## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

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[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)

**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**





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